

## Banks Being Redefined

**A** YEAR ago, an article in *Financier* magazine said that "banking has become an occupation in search of a definition," referring to the impact of the Deregulation and Monetary Control Act of 1980.

Later, an executive of American Express Co. declared, "Bank doesn't mean 'bank' anymore." Then last month, the administration proposed legislation to redefine a bank as any financial service firm covered by federal deposit insurance.

With "superbanks" popping up all over the country and non-banks providing many banking functions, the day of the local banker making loans to people he knows may be near an end. Big banks with multiple branches and computer communications are taking over.

Sears, Roebuck & Co. has become a national financial chain where customers may buy bonds, stocks, insurance and houses, as well as finance merchandise purchased in stores where the banking and brokerage services may be available. Sears owns a major stock brokerage and is setting up a new unit to deal in mortgages.

Prudential-Bache and J.C. Penney reportedly are planning to offer consumer banking services through small banks they have bought. One lending executive predicts that banks of the future will be "companies with vast reserves of technological and financial prowess — names like IBM, ITT, General Electric and AT&T."

Savings and loan companies, many with branches, also are offering services formerly avail-

able only from banks, such as withdrawals similar to regular checking accounts.

Big banks are making progress in efforts to move across state borders, especially in New England. Oklahoma bankers have joined others in protesting plans of a Denver firm to charter 31 national banks in 23 states, including one in Tulsa. Their objections may be weakened somewhat, however, because they have just won a long campaign to permit branch banking in Oklahoma.

The state law, which goes into effect Oct. 1, will limit multi-bank holding companies to 11 percent of total deposits in all Oklahoma financial institutions, including banks, savings and loan associations and credit unions. Theoretically, a dozen or so big holding companies could dominate Oklahoma banking.

While waiting for the law to become effective, state bankers have been described as "playing a game of who is going to buy whom," also called "positioning." Announced mergers include acquisition of nine Tulsa area banks by a large holding company and creation of the state's largest holding company by Tulsa and Oklahoma City firms.

If deregulation and broadening of financial services create more competition and provide more customer choices the changes could be beneficial. If this does not prove to be the case, we will have to live with the situation. It is too late to restore banking to its traditional size and place in our economy.